

Agency Legislative Budget								
Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Leg. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Leg. Budget Fiscal 2005	Total Leg. Budget Fiscal 04-05
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00	4.00
Personal Services	198,938	11,606	(631)	209,913	11,232	2,929	213,099	423,012
Operating Expenses	110,358	27,730	0	138,088	27,881	0	138,239	276,327
Equipment	0	0	0	0	0	0	0	0
<b>Total Costs</b>	<b>\$309,296</b>	<b>\$39,336</b>	<b>(\$631)</b>	<b>\$348,001</b>	<b>\$39,113</b>	<b>\$2,929</b>	<b>\$351,338</b>	<b>\$699,339</b>
General Fund	166,141	(2,512)	(1,279)	162,350	(4,584)	153	161,710	324,060
State/Other Special	143,155	41,848	648	185,651	43,697	2,776	189,628	375,279
<b>Total Funds</b>	<b>\$309,296</b>	<b>\$39,336</b>	<b>(\$631)</b>	<b>\$348,001</b>	<b>\$39,113</b>	<b>\$2,929</b>	<b>\$351,338</b>	<b>\$699,339</b>

### Agency Description

The seven-member Board of Public Education, under authority of Article X, Section 9 of the Montana Constitution, exercises "general supervision over the public school system", including the School for the Deaf and Blind. This includes school accreditation, teacher certification, standardization of policies and programs, and equalization of aid distribution. Board accreditation is the basis for local school district eligibility for state funds. The board shares responsibility with the Board of Regents under Title 20, Chapter 2, MCA for general planning, coordination, and evaluation of the state education system.

### Summary of Legislative Action

Board of Public Education Major Budget Highlights	
<ul style="list-style-type: none"> <li>○ Total funding increases \$80,700 (13.0 percent) over the fiscal 2002 base budget with a \$8,200 (2.5 percent) decrease in general fund</li> <li>○ A statewide increase in vacancy savings provides a \$3,400 general fund savings</li> <li>○ Funding of \$5,700 is added for the HB 13 pay plan</li> <li>○ The authorized level of expenditures for research projects requires spending about \$20,000 per year of the \$82,600 fund balance from the research fund account</li> <li>○ Increased flexibility in the use of teacher certification fees is provided through SB 202</li> </ul>	

The total budget for the Board of Public Education includes \$78,400 in present law adjustments and \$2,300 in new proposals for a net increase over the fiscal 2002 base of \$80,700. Present law adjustments adopted by the legislature include statewide adjustments, an increased operating budget to cover a growing workload attributed to teacher certification issues, and increased spending from the research fund to support activities of the Advisory Council. New proposals adopted by the legislature increase vacancy savings within the agency due to a statewide FTE reduction for all general funded agencies and add funding for the HB 13 pay plan.

### Funding

The following table shows funding for the agency, by program and source for base year and the 2005 biennium.

<b>Total Agency Funding 2005 Biennium Budget</b>				
Agency Program	General Fund	State Spec.	Grand Total	Total %
Administration	\$ 324,060	\$ 30,044	\$ 354,104	50.6%
Advisory Council	-	345,235	345,235	49.4%
Grand Total	<u>\$ 324,060</u>	<u>\$ 375,279</u>	<u>\$ 699,339</u>	<u>100.0%</u>

### Other Legislation

House Bill 736 - This bill establishes a K-12 public school renewal commission and provides a \$10,000 general fund appropriation to the Board of Public Education to support the commission. The commission's purpose is to propose changes and new provisions regarding the several components of K-12 public education in Montana, including but not limited to revenue available for and methods of funding public education, role of state and federal government in public education, and school district structure.

Senate Bill 202 - This bill expanded the use of teacher certification fees allowing the Board of Public Education to use a portion of the teacher certification fees, previously earmarked for research activities of the certification standards and practices advisory council, for all activities in support of the board's constitutional and statutory duties.

Agency Budget Comparison								
Budget Item	Base Budget Fiscal 2002	Executive Budget Fiscal 2004	Legislative Budget Fiscal 2004	Leg – Exec. Difference Fiscal 2004	Executive Budget Fiscal 2005	Legislative Budget Fiscal 2005	Leg – Exec. Difference Fiscal 2005	Biennium Difference Fiscal 04-05
FTE	4.00	4.00	4.00	0.00	4.00	4.00	0.00	
Personal Services	198,938	209,393	209,913	520	209,019	213,099	4,080	4,600
Operating Expenses	110,358	132,816	138,088	5,272	132,768	138,239	5,471	10,743
Equipment	0	0	0	0	0	0	0	0
<b>Total Costs</b>	<b>\$309,296</b>	<b>\$342,209</b>	<b>\$348,001</b>	<b>\$5,792</b>	<b>\$341,787</b>	<b>\$351,338</b>	<b>\$9,551</b>	<b>\$15,343</b>
General Fund	166,141	157,206	162,350	5,144	154,935	161,710	6,775	11,919
State/Other Special	143,155	185,003	185,651	648	186,852	189,628	2,776	3,424
<b>Total Funds</b>	<b>\$309,296</b>	<b>\$342,209</b>	<b>\$348,001</b>	<b>\$5,792</b>	<b>\$341,787</b>	<b>\$351,338</b>	<b>\$9,551</b>	<b>\$15,343</b>

### Executive Budget Comparison

The legislature approved a total fund budget that is \$15,300, or about 2.2 percent, greater than the amount recommended by the Governor. The difference is in general fund due to the legislature not adopting the Governor's recommendation to continue 17-7-140, MCA and global special session reductions (\$13,045 over the biennium). In addition, the legislature applied a statewide personal services reduction for a general fund savings of \$3,422 within the agency budget and added funding of \$5,720 for the HB 13 pay plan. General fund is about 3.8 percent above the amount recommended by the Governor.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Leg. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Leg. Budget Fiscal 2005	Total Leg. Budget Fiscal 04-05
FTE	2.00	0.00	0.00	2.00	0.00	0.00	2.00	2.00
Personal Services	121,431	(5,667)	(1,238)	114,526	(5,751)	331	116,011	230,537
Operating Expenses	56,751	6,102	0	62,853	3,963	0	60,714	123,567
<b>Total Costs</b>	<b>\$178,182</b>	<b>\$435</b>	<b>(\$1,238)</b>	<b>\$177,379</b>	<b>(\$1,788)</b>	<b>\$331</b>	<b>\$176,725</b>	<b>\$354,104</b>
General Fund	166,141	(2,512)	(1,279)	162,350	(4,584)	153	161,710	324,060
State/Other Special	12,041	2,947	41	15,029	2,796	178	15,015	30,044
<b>Total Funds</b>	<b>\$178,182</b>	<b>\$435</b>	<b>(\$1,238)</b>	<b>\$177,379</b>	<b>(\$1,788)</b>	<b>\$331</b>	<b>\$176,725</b>	<b>\$354,104</b>

### Program Description

The Administration Program provides administration, research, clerical functions, and management of business affairs for all programs under the authority of the Board of Public Education. The Board of Public Education exists under Article X, Section 9 of the Montana Constitution, and exercises general supervision of the public school system.

### Program Narrative

Administration Program Major Budget Highlights	
o	This program is funded 91.5 percent with general fund and the remaining with state special revenue from teacher certification fees
o	General fund savings of \$8,200 is primarily due to replacement of an FTE at a lower rate of pay, a decreased legal services budget due to minimal expenditures in the base year and some legal work assumed by the Executive Secretary, and a global general fund reduction in personal services.
o	State special revenue increases by about \$3,000 each year or 25 percent over fiscal 2002 expenditures to cover increased operating costs attributed to educator certification issues

### Funding

The following table shows funding, by source, for the base year and the 2005 biennium.

Program Funding Table Administration							
Program Funding	Base Fiscal 2002	% of Base Fiscal 2002	Budget Fiscal 2004	% of Budget Fiscal 2004	Budget Fiscal 2005	% of Budget Fiscal 2005	
01100 General Fund	\$ 166,141	93.2%	\$ 162,350	91.5%	\$ 161,710	91.5%	
02219 Research Fund	12,041	6.8%	15,029	8.5%	15,015	8.5%	
Grand Total	<u>\$ 178,182</u>	<u>100.0%</u>	<u>\$ 177,379</u>	<u>100.0%</u>	<u>\$ 176,725</u>	<u>100.0%</u>	

The Administration program is funded with 91.5 percent general fund and 8.5 percent teacher certification fees. Teacher certification fees fund indirect costs and support the Teacher Certification Council, which is entirely funded with these fees.

Present Law Adjustments										
-----Fiscal 2004-----						-----Fiscal 2005-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(5,667)					(5,751)
Inflation/Deflation					192					220
Fixed Costs					2,910					743
<b>Total Statewide Present Law Adjustments</b>					<b>(\$2,565)</b>					<b>(\$4,788)</b>
DP 2 - Administrative Assessment										
	0.00	0	3,000	0	3,000	0.00	0	3,000	0	3,000
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$3,000</b>	<b>\$0</b>	<b>\$3,000</b>	<b>0.00</b>	<b>\$0</b>	<b>\$3,000</b>	<b>\$0</b>	<b>\$3,000</b>
<b>Grand Total All Present Law Adjustments</b>					<b>\$435</b>					<b>(\$1,788)</b>

### Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 2 - Administrative Assessment - The legislature approved increasing the board operating budget by \$3,000 per year to cover a growing work load attributed to educator certification issues. The increased costs are funded with teacher certification fees that are earmarked by the legislature in a state special revenue fund for activities of the board and the certification standards and practices advisory council.

New Proposals										
-----Fiscal 2004-----						-----Fiscal 2005-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 655 - Personal Services Reduction										
01	0.00	(1,711)	0	0	(1,711)	0.00	(1,711)	0	0	(1,711)
DP 6800 - HB 13 - Pay Plan										
01	0.00	432	41	0	473	0.00	1,864	178	0	2,042
<b>Total</b>	<b>0.00</b>	<b>(\$1,279)</b>	<b>\$41</b>	<b>\$0</b>	<b>(\$1,238)</b>	<b>0.00</b>	<b>\$153</b>	<b>\$178</b>	<b>\$0</b>	<b>\$331</b>

### New Proposals

DP 655 - Personal Services Reduction - The legislature applied a further vacancy savings on general fund positions. The average for the board is 1.0 percent on general fund and 0.5 percent on total funding.

DP 6800 - HB 13 - Pay Plan - The legislature passed a pay plan in HB 13 that provides an additional \$44 per month in insurance contributions in calendar 2004 and an additional \$50 per month in calendar 2005, as well as a \$0.25 per hour salary increase in the final six months of fiscal 2005. These amounts represent this program's allocation of costs to fund this pay plan. An additional \$44 per month in insurance contribution for the first six months of fiscal 2004 was not funded.

### Language

"Item 1 includes a reduction in general fund money of \$ 1,711 in fiscal year 2004 and \$1,711 in fiscal year 2005 for the statewide FTE reduction."

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Leg. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Leg. Budget Fiscal 2005	Total Leg. Budget Fiscal 04-05
FTE	2.00	0.00	0.00	2.00	0.00	0.00	2.00	2.00
Personal Services	77,507	17,273	607	95,387	16,983	2,598	97,088	192,475
Operating Expenses	53,607	21,628	0	75,235	23,918	0	77,525	152,760
Equipment	0	0	0	0	0	0	0	0
<b>Total Costs</b>	<b>\$131,114</b>	<b>\$38,901</b>	<b>\$607</b>	<b>\$170,622</b>	<b>\$40,901</b>	<b>\$2,598</b>	<b>\$174,613</b>	<b>\$345,235</b>
State/Other Special	131,114	38,901	607	170,622	40,901	2,598	174,613	345,235
<b>Total Funds</b>	<b>\$131,114</b>	<b>\$38,901</b>	<b>\$607</b>	<b>\$170,622</b>	<b>\$40,901</b>	<b>\$2,598</b>	<b>\$174,613</b>	<b>\$345,235</b>

### Program Description

The seven-member Certification Standards and Practices Advisory Council, authorized by 2-15-1522, MCA, studies issues and makes recommendations to the Board of Public Education relative to educator certification, certification standards, and changes and appeals in accordance with 20-4-133, MCA. The council submits recommendations to the board annually and as needed.

### Program Narrative

Department of Major Budget Highlights	
<ul style="list-style-type: none"> <li>○ This program is funded entirely with teacher certification fees, with about 65 percent from the advisory council fund and 35 percent from the research fund</li> <li>○ Expenditures from the research fund are approved at approximately \$20,000 more than annual anticipated revenues, requiring additional authority to spend some of the current fund balance and increasing operating costs 40 percent over base year expenditures</li> <li>○ Changes in staffing and pay during fiscal 2002 result in an approximate \$17,000 personal services adjustment in each year of the biennium due to a one month vacancy, an upgrade, replacement of an FTE at a higher rate of pay, and annualization of the 2003 biennium pay plan</li> <li>○ An additional \$3,200 over the biennium is added to personal services for the HB 13 pay plan</li> </ul>	

### Funding

The following table shows program funding, by source, for the base year and the 2005 biennium.

Program Funding Table Advisory Council						
Program Funding	Base Fiscal 2002	% of Base Fiscal 2002	Budget Fiscal 2004	% of Budget Fiscal 2004	Budget Fiscal 2005	% of Budget Fiscal 2005
02122 Advisory Council	\$ 103,441	78.9%	\$ 110,607	64.8%	\$ 114,598	65.6%
02219 Research Fund	27,673	21.1%	60,015	35.2%	60,015	34.4%
Grand Total	<u>\$ 131,114</u>	<u>100.0%</u>	<u>\$ 170,622</u>	<u>100.0%</u>	<u>\$ 174,613</u>	<u>100.0%</u>
	-	-	-	-	-	-

The Certification Standards and Practices Advisory Council is funded with teacher certification fees. The current \$6 fee provides \$4 for council support and \$2 for research and study.

Present Law Adjustments										
-----Fiscal 2004-----						-----Fiscal 2005-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					17,273					16,983
Inflation/Deflation					304					323
Fixed Costs					2,770					1,306
<b>Total Statewide Present Law Adjustments</b>					<b>\$20,347</b>					<b>\$18,612</b>
DP 5 - Tie Appropriations to Anticipated Revenue										
	0.00	0	18,554	0	18,554	0.00	0	22,289	0	22,289
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$18,554</b>	<b>\$0</b>	<b>\$18,554</b>	<b>0.00</b>	<b>\$0</b>	<b>\$22,289</b>	<b>\$0</b>	<b>\$22,289</b>
<b>Grand Total All Present Law Adjustments</b>					<b>\$38,901</b>					<b>\$40,901</b>

### Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 5 - Tie Appropriations to Anticipated Revenue - The legislature approved \$18,554 state special revenue in fiscal 2004 and \$22,289 state special revenue in fiscal 2005 to tie appropriations to anticipated revenues. Research revenue is anticipated to be \$55,000 in fiscal 2004 and \$56,000 in fiscal 2005, with a current fund balance in excess of \$82,000. This appropriation provides authority to spend anticipated revenue plus \$5,000 per year in fund balance. Advisory Council revenue is anticipated to be \$110,000 in fiscal 2004 and \$112,000 in fiscal 2005. This adjustment reduces the base expenditures to the level of anticipated revenue.

New Proposals										
-----Fiscal 2004-----						-----Fiscal 2005-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6900 - HB 13 - Pay Plan										
03	0.00	0	607	0	607	0.00	0	2,598	0	2,598
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>\$607</b>	<b>\$0</b>	<b>\$607</b>	<b>0.00</b>	<b>\$0</b>	<b>\$2,598</b>	<b>\$0</b>	<b>\$2,598</b>

### New Proposals

DP 6800 - HB 13 - Pay Plan - The legislature passed a pay plan in HB 13 that provides an additional \$44 per month in insurance contributions in calendar 2004 and an additional \$50 per month in calendar 2005, as well as a \$0.25 per hour salary increase in the final six months of fiscal 2005. These amounts represent this program's allocation of costs to fund this pay plan. An additional \$44 per month in insurance contribution for the first six months of fiscal 2004 was not funded.